

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2017-370-E**

IN RE: Joint Application and Petition of South )  
Carolina Electric & Gas Company and )  
Dominion Energy, Incorporated for )  
Review and Approval of a Proposed )  
Business Combination between )  
SCANA Corporation and Dominion )  
Energy, Incorporated, as May Be )  
Required, and for a Prudency )  
Determination Regarding the )  
Abandonment of the V.C. Summer )  
Units 2 & 3 Project and Associated )  
Customer Benefits and Cost Recovery )  
Plans. )

**PETITION FOR  
REHEARING  
AND/OR  
RECONSIDERATION**

**INTRODUCTION**

Transcontinental Gas Pipe Line, Company, LLC (“Transco”), Proposed Intervenor in the above-referenced Docket, hereby petitions the Public Service Commission of South Carolina (“Commission”) for Reconsideration of Order No. 2018-463, dated July 6, 2018, pertaining to South Carolina Electric & Gas, Company (“SCE&G”), and Dominion Energy, Incorporated, (“Dominion”) in the above-referenced Docket. Specifically, Transco petitions the Commission pursuant to S.C. Code Ann. Section 58-27-2150 (1976, as amended) and S.C. Code Ann. Reg. 103-854 to reconsider its Findings and decision therein. For the reasons hereinafter set forth, Transco would respectfully submit that this Commission overlooked and misapprehended the law with regard to standing, Commission jurisdiction and the public interest of SCE&G’s customers.

**PETITION FOR REHEARING**

**1. TRANSCO’S EXISTING INFRASTRUCTURE AND PIPELINE, IF  
RECOGNIZED BY THIS COMMISSION, CAN SAVE SOUTH CAROLINA  
RATEPAYERS MILLIONS OF DOLLARS.**

Transco’s interests in this matter are concurrent with the interests of the ratepayers of South Carolina. Factually, Transco has the infrastructure and pipeline in place to serve the Southeast, including South Carolina, for many years. It is obvious Dominion intends to install duplicative infrastructure and pipeline to serve the ratepayers of South Carolina at great monetary expense to the ratepayers of South Carolina.

In other words, after the business combination, Dominion will spend millions of dollars on infrastructure and pipeline, which Dominion will then recover from the ratepayers of South Carolina on duplicative infrastructure and pipeline that Transco already has in place and in operation.

## **2. THE COMMISSION OVERLOOKED AND MISAPPREHENDED THE LAW REGARDING STANDING.**

Transco presented ample reasons for having standing to intervene in the above-captioned matter. In Transco's amended "Petition to Intervene (Out of Time)" and its "Reply to the Joint Applicant's Response", dated May 29, 2018, it made a substantial argument that it has standing to participate in the above captioned matter. While reference is craved to the arguments set forth in the amended "Petition to Intervene (Out of Time)" and Transco's "Reply to the Joint Applicants' Response", it is important to point out that Transco meets the constitutionally mandated minimum requirements as set forth in Smiley v S.C. Department of Health and Environmental Control 649 SE2d 31, 374 S.C. 326 (S.C. 2007) and Lujan v. Defenders of Wildlife, 504 US 555 (1992). Those constitutionally mandated minimums have "... three components: First, the plaintiff must have suffered an "injury in fact" — an invasion of a legally protected interest which is (a) concrete and particularized, and (b) "actual or imminent, not 'conjectural' or 'hypothetical.'" Second, there must be a causal connection between the injury and the conduct complained of the injury has to be "fairly ... trace[able] to the challenged action of the defendant, and not ... th[e] result [of] the independent action of some third party not before the court." Third, it must be "likely," as opposed to merely "speculative," that the injury will be "redressed by a favorable decision." Smiley supra, 329.

Transco clearly has met the minimum constitutional standard for standing and has millions of dollars' worth of contracts with both SCE&G and Dominion, and many miles of established pipeline all or some of which are in danger of being adversely affected by the decision of the Commission.

Further, as pointed out in the “Reply to the Joint Applicants’ Response”, this Commission’s Rules provide that simply the Commission’s act of allowing Intervention does not necessarily constitute recognition by the Commission that any Intervenor may be aggrieved by any future Order of the Commission. This Commission’s Rules therefore create an even lower threshold for Intervention than do the usual requirements for Standing.<sup>1</sup> The Petition of Transco to Intervene should be granted.

### **3. THE COMMISSION OVERLOOKED AND MISAPPREHENDED THE LAW REGARDING JURISDICTION.**

The Commission, in its Order dated July 6, 2018, determined that Transco, due to the nature of its business as an interstate transporter of natural gas, was solely under the jurisdiction of the Federal Energy Regulatory Commission (“FERC”). While true that Transco’s transactions are normally regulated by FERC, the “review and approval of a proposed business combination” of SCANA and Dominion has been voluntarily submitted to the Commission, giving the Commission jurisdiction over the business combination.<sup>2</sup> In doing so, contracts have been potentially put into jeopardy by the Commission’s rulings on the merger. Transco believes that the Commission has overlooked and misapprehended its subject matter authority, which the merging parties have submitted to by their voluntary submission to it of the business combination issues.

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<sup>1</sup> PSC Rule 103-804(H) “Intervenor. A person who files a petition to intervene in a proceeding before the Commission, as provided by R. 103-825, and after such petition is approved by the Commission or presiding officer, Admission as an intervenor shall not be construed as recognition by the Commission that such intervenor might be aggrieved by any order of the Commission in such proceeding.” (Emphasis Added).

<sup>2</sup> While it is unclear whether the Commission has the jurisdiction to, “review and approve a business combination” between Dominion and SCE&G, until such time as that issue is determined, Transco will necessarily proceed as if the Commission has the inherent authority to do so, or if by voluntarily proceeding before the Commission, the parties have conferred jurisdiction on it.

**4. THE COMMISSION OVERLOOKED AND MISAPPREHENDED THE LAW REGARDING THE IMPACT OF THE DOMINION-SCANA BUSINESS COMBINATION ON TRANSCO'S CONTRACTS.**

The Commission, made a determination that the ultimate outcome of the pending matter, which has had no evidence received or testimony taken, would not affect the contracts entered into between SCE&G and Transco because SCE&G would remain as a separate legal entity and would be able to fulfill its contractual obligations with Transco. The Commission overlooked and misapprehended the contractual impact that that the business combination between SCANA and Dominion would have on the existing contracts between SCE&G and Transco. Dominion would ultimately be the “decision maker” for SCE&G, rather than SCANA. The changes in that relationship will, in the view of Transco, have immense, potential adverse impact on not only the contractual relationship(s) between SCE&G and Transco, but could ultimately lead to stranded infrastructure assets that Transco has installed to serve the needs of South Carolina consumers.

**5. THE COMMISSION OVERLOOKED AND MISAPPREHENDED THE POTENTIAL NEGATIVE IMPACT ON THE PUBLIC INTEREST OF THE DOMINION SCANA BUSINESS COMBINATION.**

The General Assembly has determined that the “... (Commission) was created by the General Assembly to regulate ... utilities serving the public as, and to the extent, required by the public interest....”<sup>3</sup> As set forth in its Petition to Intervene (Out of Time), Transco described its pipeline network built to transport natural gas between the Gulf of Mexico and the Northeast corridor and locales in between.

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<sup>3</sup> 1980 Act No. 440, Section 1, provides as follows:

"Section 1. The General Assembly finds that the Public Service Commission (Commission) was created by the General Assembly to regulate common carriers and utilities serving the public as, and to the extent, required by the public interest. The regulation of such carriers and utilities is one of the Commission's most important functions and one that fundamentally affects the daily lives of the citizens of this State and in light of the importance of the Commission's functions, all proceedings before the Commission should be conducted in the most equitable, efficient and dignified manner. It further finds that many proceedings before the Commission have become increasingly lengthy, with a substantial number of different parties representing different interests. It is the purpose of this act to improve the Commission's effectiveness and efficiency and to allow the Commission to have an equitable and dignified forum in which to conduct such proceedings." (Emphasis Added).

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Also, as set forth in its Petition to Intervene (Out of Time), Transco has entered into numerous contracts of varying types to provide natural gas to those customers that are sited on those transmission lines or laterals built to serve customers.

If the business combination is approved, it puts Dominion in a position to adversely affect Transco's infrastructure and pipeline in South Carolina.

### **CONCLUSION**

As stated, Dominion's plan to pass on the cost of duplicative infrastructure and pipeline to the ratepayers of SCE&G is against the public interest and the interests of the ratepayers of South Carolina. Transco is uniquely situated to present evidence in the hearing to be conducted in this matter.

Based on the foregoing, and in the interest in providing due process to the Petitioner, this Commission should rehear and/or reconsider this matter and allow Transco to Intervene and fully participate in the above referenced, "business combination" hearing;

AND GRANT SUCH OTHER AND FURTHER RELIEF AS IT DEEMS  
APPROPRIATE.

Respectfully Submitted,  
/s/

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July 16, 2018  
Columbia, South Carolina